

CHAPTER 52  
SELF-EMPLOYMENT BUSINESS ASSISTANCE

[Prior to 7/19/95, see 261—Ch 9]

[Former Ch 52, "Business Incubator/Technical Assistance Center Program," rescinded IAB 7/19/95, effective 8/23/95]

**261—52.1(15) Purpose.** The department of economic development administers the case management program in coordination with the job training partnership program, the self-employment loan program, and other state or federal programs providing financial or technical assistance administered by the department.

**261—52.2(15) Definitions.** As used in this chapter, unless the context otherwise requires:

*"Client"* means a low-income person eligible for assistance under the self-employment loan program, established in Iowa Code section 15.241, who is establishing or expanding a small business venture. Priority will be given to clients that meet the definition of a targeted small business as defined in Iowa Code section 15.102(5).

*"Department"* or *"IDED"* means the Iowa department of economic development.

*"Family income (annualized)"* means all income actually received from all sources by all members of the family during the six months immediately prior to application multiplied by two. When computing family income, income of a spouse and other family members shall be counted for the portion of the income determination period that the person was actually a part of the family unit of the applicant.

*"Low income"* means annualized family income that is 70 percent of the most current lower living standard income level (LLSIL).

*"Self-employment business assistance"* means assisting clients seeking to establish or expand small business ventures. Appropriate technical assistance may include, but shall not be limited to: consulting, training and apprenticeship, professional services; assistance in furnishing information about available financial or technical assistance; evaluating small business venture proposals; assistance in the completion of viable start-up or expansion plans; and assistance in the completion of applications for financial or technical assistance under the programs administered by the department.

*"Service provider"* means any entity such as a state agency, a private for-profit or not-for-profit corporation or other association or organization that contracts with the department to provide or offer case management assistance. Service providers may include, but are not limited to: community colleges, universities, Iowa state extension service, small business development centers, service corps of retired executives, the institute for social and economic development, women's economic development group enterprises, chambers of commerce and local economic development groups.

**261—52.3(15) Eligibility requirements.** An individual must be a low-income person eligible for assistance under the self-employment loan program established in Iowa Code section 15.241 and actively seeking or awarded financial assistance from state support programs such as the self-employment loan program, the targeted small business financial assistance program, the Iowa linked deposit program for targeted small business. Priority will be given to clients that meet the definition of a targeted small business as defined in Iowa Code section 15.102(5).

**52.3(1) Residence.** An applicant must be a resident of Iowa to be eligible for self-employment business assistance.

**52.3(2) Age.** An applicant must be 18 years of age or older.

**52.3(3) *Income.*** To qualify for assistance an applicant must have annualized family income that is no more than 70 percent of the lower living standard income level. For purposes of calculating family income, exclusions are:

- a. Food stamps
- b. Compensation received in the form of food or housing
- c. Other noncash income
- d. Public assistance payment
- e. Federal, state, local or private unemployment benefits
- f. Payment, other than on-the-job training wages, made to participants while enrolled in employment and training programs
- g. Capital gains and losses
- h. Scholarship and fellowship grants
- i. Accident, health, and casualty insurance proceeds
- j. Disability and death insurance payments
- k. Awards and gifts
- l. Inheritances
- m. Workers' compensation
- n. Terminal leave
- o. Pay or allowances previously received by any veteran while serving on active duty in the U.S. armed forces
- p. Educational assistance and compensation payments to veterans and other eligible persons under the following chapters of Title 38 of the U.S. Code:
  - Chapter 11—Compensation for service-connected disability or death
  - Chapter 13—Dependency and indemnity compensation for service-connected deaths
  - Chapter 31—Training and rehabilitation for veterans with service-connected disabilities
  - Chapter 32—Post-Vietnam era veterans' educational assistance
  - Chapter 34—Veterans' educational assistance
  - Chapter 35—Survivors' and dependents' educational assistance
  - Chapter 36—Administration of educational benefits
- q. Payments received under the Trade Act of 1974
- r. Payments received on behalf of foster children
- s. Child support payments
- t. Cash payments received pursuant to a state plan approved under the Social Security Act:
  - Title II—disability insurance payments
  - Title IV—aid to families with dependent children
  - Title XVI—supplemental security income for the aged, blind, and disabled
- u. Payments received under the Black Lung Benefits Reform Act of 1977 (Public Law 95-239)
- v. Assets drawn down as withdrawals from a bank
- w. Proceeds from the sale of property, a house, or car
- x. Tax refunds
- y. Other one-time and limited unearned income.

**52.3(4) *Automatic income eligibility.*** Cash welfare recipients (AFDC, general assistance, refugee assistance, etc.), food stamp recipients or applicants which are JTPA-eligible qualify as income eligible for self-employment business assistance.

**261—52.4(15) *Evaluation procedure.*** The department will release a request for proposal to determine service provider(s). Proposals will be submitted and reviewed by the department. The IDIED director will review recommendations and make a final decision.

**261—52.5(15) Evaluation factors.** The department will evaluate proposals based on such factors as: experience or demonstrated ability in providing assistance to small businesses in such areas as completing and evaluating viable business start-up or expansion plans and completing applications for financial and technical assistance; ability to effectively administer state programs; fiscal management and record-keeping capabilities; and ability to provide ongoing technical assistance to clients.

**261—52.6(15) Contract.** The department will contract with designated service providers. State-ments for reimbursement will be submitted to the department based on the number of hours of self-employment business assistance provided per client. Self-employment business assistance funds shall only be used for activities which are in addition to those which would otherwise be available in the area in the absence of self-employment business assistance funds.

**261—52.7(15) Monitoring and reporting.**

**52.7(1) Monitoring.** The IDED reserves the right to monitor the service provider's records to ensure compliance with the terms of the contract.

**52.7(2) Reporting.** Service providers shall submit to the IDED reports in the format requested by the department. The department retains the authority to request information on a more frequent basis.

These rules are intended to implement Iowa Code section 15.246.

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